Air Force Security Assistance Center

The FMS Provider of Choice Today and Tomorrow...On Time, On Cost

(Unclassified)

I n t e g r i t y - S e r v i c e - E x c e l l e n c e

Supply Discrepancy Report-Automation (SDR-A)

SDR Process Overview

AFSAC/IARGB Section

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U.S. AIR FORCE

Agenda
(Unclassified)

Process Overview:

- SDR Office's Responsibilities
- FMS SDR Directives
- What is an SDR?
- Dollar Limit Guidelines
- SDR Submission Timeframes
  - Original
  - Resubmit
  - Contested
  - Latent Defect
- Supporting Documentation

- AFSAC Online SDR Tools
  - Submission Wizard
  - Customer Query
  - Monthly Report
- Electronic Country Notifications
  - Notification of SDR Closure
  - Request for Country Action
  - Materiel & Exhibit Returns
- AFSAC Online SDR Metrics
- Summary

SDR Office's Responsibilities
(Unclassified)

- **The USAF International Logistics Control Office (ILCO) = AFSAC/IARGB Section (SDR Office)**

- **SDR Office's Responsibilities are:**
  - **Process/validate incoming SDRs (Automated and hardcopy)**
  - **Monitor SDR progress & generate follow-ups**
    - To Source of Supply (like ASC, DLA, ALC, WWRS, PROS, etc)
    - To Country
  - **Validate & process Source of Supply SDR replies to customers**
  - **Provide Source of Supply's disposition instructions and establish 'material return suspense dates'**
  - **Track SDR exhibit returns from customer notification to receipt at final destination**
  - **Monitor SDR decisions to ensure required financial adjustments process**
  - **Process transportation reimbursement on approved SDRs**

- **End result – To provide a fair and equitable SDR resolutions!**

FMS SDR Directives
(Unclassified)

- **Letter of Offer and Acceptance (LOA), Terms and Conditions section, paragraph 5.4**

- **DoD 5105.38-M Security Assistance Management Manual (SAMM)**

- **DLAI 4140.55 Reporting of Supply Discrepancies**
  - Cancellation pending
  - Replacement directive is DoD 4000.25-M, Volume 2, Chapter 17 Supply Discrepancy Reporting
    - Contains up-to-date processing guidelines
    - Will be renamed to DLM rather than DoD during DLAI cancellation process

What Is An SDR?
(Unclassified)

- **SDR is a tool used to**
  - <u>Report</u> shipping (or packaging) discrepancies attributed to the responsibility of the shipper, (including Government sources, contractors/manufacturers or vendors)
  - <u>Provide</u> appropriate responses and resolution

- **Shipping discrepancies include:**
  - Discrepant condition of item, including expired shelf-life
  - Overage/shortage/total non-receipt
  - Discrepant unique item identification
  - Improper documentation
  - Misdirected shipments

- **Packaging discrepancies include:**
  - Improper packing
  - Improper preservation
  - Improper marking
  - Improper unitization

Dollar Limit Guidelines
(Unclassified)

- **SDR value must be $200 or greater**
  - If SDR value is less than $200, but adding the "below-the-line" charges for transportation and PC&H increases the value to $200 or more, the SDR is a candidate for possible reimbursement

- **If SDR value less than $200, country may submit an "Info Copy" SDR**
  - Informs action activity of an issue w/shipment
  - No financial restitution
  - **Exception . . . For DLA shipments, see following chart**

- # DLA policy. . . Since April 2008
  - ## – If FMS shipment generates a discrepancy for 'wrong item' or 'misdirected materiel'
    - ### SDR must be submitted so that materiel return instructions can be given to return materiel to CONUS DLA depot regardless of billed value
    - ### No $200 minimum for materiel return on these type SDRS
  - ## – Credit will not be provided (or customer account may be debited) if customer <u>fails</u> to return materiel as specified in the SDR response

- # Per LOA, SDR credit is not authorized if the SDR value is less than $200; however . . .
  - ## – If customer uses action code 2A rather than 1H (info only), DLA will provide credit for any 'wrong item' and 'misdirected materiel' SDRs when materiel return is directed by a DLA activity

- **Original SDRs:**

  - **<u>Must Be Submitted</u>** no later than 1 year after shipment (except billing errors and total non-receipt)

  - For billing errors and total non-receipt, no later than 1 year after shipment or initial DFAS-DE Quarterly Billing (whichever is later)

- Earlier notification is better! For PROS SDRs, warranty may be denied if SDR is not received by VENDOR within 1 yr

- **Resubmit and Contested SDRs:**

  - **Must be received by ILCO. . .**

    - If no materiel return on previous SDR denial➔ w/in 45 days of SDR 'denial' reply date

    - If materiel returned to customer on previous SDR denial➔ w/in 90 days from SDR 'denial' reply date

  - **Additional Info:**

    - All SDRs must include supporting documentation to substantiate customer's claim

    - SDR Reply Date shows on "Notification of SDR Completion" email, Customer Query, & back of SF364, Block 24C

- **Latent Defects should be reported <u>as soon as possible</u> after discovery**

- **Defined as . . .**

  "A flaw or other imperfection in an article discovered after delivery to the customer. Such defects are inherent weaknesses which normally are not detected by examination or routine test, but which are present at the time of manufacture"

  "<u>Latent defects apply only to the operability of the item.</u>"

- **For a problem to qualify as a "Latent Defect", the customer must:**

  - Provide evidence that a receipt inspection was performed and the defect could not have been determined at that time

  - Show the defect is present for reasons other than deterioration or damage incurred during storage or handling

- **ALL SDRs (except non-receipt/billing)**
  - Shipping documents
  - Pictures that substantiate customer's claim

- **Non-Receipt SDRs**
  - Freight forwarder statement

- **Packaging SDRs**
  - Carrier's bill of lading annotated w/damage

Supporting Documentation
Shelf Life or Quality
(Unclassified)

- **Shelf Life SDRs**
  - Shelf life code
  - Date Cured, Date Packed, or Date Manufactured
  - Lot/batch number
  - Serial number, manufacture name, & warranty expiration date if available

- **Quality SDRs**
  - Category Type
  - Manufacturer Name/CAGE
  - Dates for: Discovered, Packed, Manufactured, Assembled, Rebuilt, Cured, Warranty Expiration
  - Next Higher Assembly, End Item, Weapon System, Serial Number, Operation Time, Quantity in Stock
  - Also can input remarks via SDR Submission wizard for 'Circumstances Prior to Difficulty', 'Description of Difficulty', 'Suspected Cause', 'Action Taken', and 'Recommendations'

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- **Missing Component or Wrong Item SDRs**
  - If available, provide NSN, CAGE/Part Number, or Nomenclature.
  - Enter UNKNOWN in Part Number field and 00000 in CAGE in SDR Wizard if data not available

- **Condition SDRs**
  - Condition code of items received

AFSAC Online
SDR Automation Tools
(Unclassified)

(https://afsac.wpafb.af.mil)

Application Links

- Applications Suite (See System requirements page For Jinit Install)
- Supply Application
- Letter of Request (LOR) ▶
- Logistics Applications ▶
- Financial Applications ▶
- WWRS
- PROSIII Program Information ▶
- Tech Order Index
- PROS II Metrics
- PROS III Applications ▶
- AFSAC Metrics ▶

Supply Discrepancy Reporting(SDR)

- SDR Submission Wizard
- SDR Customer Query
- SDR Monthly Report
- ** Email Notifications
- ** SDR Handbook

- Financial Tool (This has been moved to Financial Applications menu located above)
- Briefings ▶
- Tutorials ▶

Other AFSAC Links

- SAMIS MIAP Access (NEW)
- REPORT.WEB ▶
- About AFSAC
- CLSSA Brochure

- FY10 MSD Prices 31-Aug-2009

- For users having problems accessing the Application Suite, please download a new copy of the CERTDB.TXT file. Instructions on how to do this can be found on the System Requirements page (link located on the left menu bar)

- Business applications *(Use the navigation links o ... business applications)*

We currently offer a range of ...

The Application Suite is a re... ... a and Narrative.

We also provide a number of Logistics and Financial Applications as well as Worldwide Warehouse Applications (WWRS), Technical Order Index, Parts and Repair Ordering System (PROS) II Monthly Metrics, Letter of Request (LOR) Submission/ Validation and AFSAC Online Metrics.

We are constantly striving to develop new tools for our customers. Look for account automation features such as automated password resets ... Online ... nths.

... applicat... ...vigation menu on the left side of all our pages.

AFSAC Online is a public web site available worldwide. AFSAC Online utilizes PKI enabled SSL (Secure Socket Layer) traffic on port 443. SSL is the industry standard and is among the best software available today for secure online commerce transactions. The servers that encompass AFSAC Online follows stringent procedures employed at the Wright Patterson Air Force Base level as to virus protection and software support issues. These guidelines are followed so that AFSAC's servers can operate in the public/private infrastructure of the Base. Theses guidelines, which all server tenants adhere to, are reviewed on an ongoing basis as to provide the customer with reliable, virus free access.

The applications that encompass AFSAC Online may be accessed from any 128 bit encryption capable web browser. The user must also possess a username and password to which the password must be changed every 90 days, & kept current. Users are only given three chances to access their account. If on the third attempt the password is invalid, the account is locked and can only be open by the help desk.

The Supply Discrepancy Report Automation (SDR-A) Submission Wizard Tool is accessed through the Applications Links in AFSAC Online.

Selecting

Submission Wizard Features
(Unclassified)

- **Wizard based screens**
- **Online help screens**
- **Online validation/edits**
- **Select requisition/shipment/delivery lines to pre-fill SDR data**
- **Select up to three discrepancy/**
- **Upload attachments**
- **Real-time on-line processing**

This screen is confirmation that an SDR record has been submitted.

Click on "View SDR" to view and/or print out the FINAL SF364.

Supply Discrepancy Repo

| Original | Info Copy | Resubmit | Contested | Corrected | Cancel | Follo |

| Prev | Next | View SDR | | Help |

Submitted SDR

Report Number	Sequence Number	Document Number	Doc Suffix	Date Received SF364
A1005- -KDH/001	99	D 45V42673886		02 NOV 2005

Discrepancy Code	Action Code
C1	1A

NOTE: After your report is submitted, it can only be edited using the Correction Wizard

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Customer Query Features

(Unclassified)

SDR Query

Search for an SDR's status by providing one or more of the following fields.
Fields are not case sensitive.

Help

Country: XX
Case: KEU
Line: 001
SDR Number:
Document Number:
Document Suffix:
Action RIC:
Source of Supply:
NIIN: Ordered
PIIN:
Processing Agency:
SDR Review Category: Replies/Complete
SDR Review Sub-Category:
Date SDR Completed Between: 15-Dec-2005 And 14-Feb-2006
Search   Clear

- **Enter any combination of these parameters**
  - Country/Case/Line/SDR #
  - Doc #/NSN

- **Multiple review categories**
  - Open Submission
  - Replies/Not Complete
  - Replies/Complete

- **Click on the "Search" button to see matching SDRs**

- **Summary includes:**
  - Document Number/Suffix
  - Current SDR Status
  - SDR Value
  - Discrepancy Codes
- **SF364 and DD Fm 1348-1A**
- **Printer friendly option**

- **Detail tabs in query results**
  - Remarks
  - Attachment
  - SDR Replies
  - Requisition/shipping/billing history
  - SDR Dates
- **Online help screens**

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Monthly Report Features
(Unclassified)

- **Available 1st day of every month**
- **All open and completed SDRs status for month queried**
  - **Easily see materiel due in dates on open report**
  - **Completed SDRs show with * 1st month . . . Drop off after 3 months**
- **Printer friendly option**

59 TOTAL records found for January, 2006

45 (OPEN) MONTHLY SUPPLY DISCREPANCY REPORTS (SDRs) STATUS

I	CC	CAS	LIN ITM	SDR NR	DOC NR	SUF	DC	SDR Value	SDR RCVD AFSAC	Last AFSAC Action	SDR Reply Date	Action Activity Response Code	ARC	MRSD	MRVD
	KEU	001	L0714 D	M5V40965313		O	C1	$4,895.94	27-DEC-2005	20-JAN-2006				N/A	N/A
	KEU	001	L0718 D	M5V43210011		O	Q1		23-JAN-2006	23-JAN-2006				N/A	N/A
	KEU	001	L0718 D	M5V43210011		O	Q1		23-JAN-2006	23-JAN-2006				N/A	N/A
	KEU	001	L0714 D	M5V40965313		O	C1	$4,895.94	27-DEC-2005	20-JAN-2006				N/A	N/A
	KEU	001	L0717 D	L5V5286H010		O	W1		09-JAN-2006	09-JAN-2006				N/A	N/A
	KEU	001	L0716 D	L5V5286H011		O	W2	$5,396.76	02-JAN-2006	02-JAN-2006				N/A	N/A
	KEU	001	L0717 D	L5V5286H010		O	W1		09-JAN-2006	09-JAN-2006				N/A	N/A
	KEU	001	L0716 D	L5V5286H011		O	W2	$5,396.76	02-JAN-2006	02-JAN-2006				N/A	N/A
	KEU	001	L0694 D	EL5V43200068		O	Q1	$3,103.74	17-OCT-2005	04-JAN-2006				N/A	N/A
	KEU	001	L0696 D	M5V43220022		O	W1	$1,885.00	17-OCT-2005	30-JAN-2006	30-JAN-2006	105,101	BB	29 JUL 2006	DUE IN

14 (COMPLETED) MONTHLY SUPPLY DISCREPANCY REPORTS (SDRs) STATUS

I	CC	CAS	LIN ITM	SDR NR	DOC NR	SUF	DC	SDR Value	SDR RCVD AFSAC	SDR Reply Date	Action Activity Response Code	Financially Complete	ARC	Billing Adjustment Verified	MRSD	MRVD
*	KEU	001	L0715 D	M5V51460039A		O	S1	$32,633.72	30-DEC-2005	06-JAN-2006	142,101	12-JAN-2006	CB	$32,633.72	N/A	N/A
*	KEU	001	L0715 D	M5V51460039A		O	S1	$32,633.72	30-DEC-2005	06-JAN-2006	142,101	12-JAN-2006	CB	$32,633.72	N/A	N/A
	KEU	001	L0675 D	M5V43630018		R	Q1	$340.05	22-AUG-2005	15-NOV-2005		17-NOV-2005	BA	$340.05	N/A	N/A
	KEU	001	L0704 D	M5V51460088		O	S2	$1,149.24	24-OCT-2005	22-NOV-2005		23-NOV-2005	CB	$1,149.24	N/A	N/A
	KEU	001	L0710 D	M5V51460176		O	S2	$698.28	24-OCT-2005	22-NOV-2005		23-NOV-2005	CB	$698.28	N/A	N/A
*	KEU	001	L0697 D	M5V43080024A		O	W1	$2,005.74	17-OCT-2005	19-DEC-2005		04-JAN-2006			N/A	N/A
	KEU	001	L0703 D	M5V51720002		O	S2	$61,208.32	24-OCT-2005	08-DEC-2005	704	08-DEC-2005	AL	NONE DUE	N/A	N/A
	KEU	001	L0657 D	M5V42880052		O	Q1	$4,979.34	16-FEB-2005	10-MAY-2005		29-NOV-2005	BB	$4,979.34	06 NOV 2005	14 OCT 2005
*	KEU	001	L0659 D	M5V43470004		O	S2	$467.00	16-FEB-2005	12-JAN-2006	494	20-JAN-2006	CB	$467.00	N/A	N/A

- **Emails are generated to Countries for:**
  - **Receipt Acknowledgements**
  - **Notification of SDR Closure**
  - **Follow-ups for Additional Info**
  - **Follow-ups for Materiel/Exhibit Returns**

- **Email notifications go to SDR Submitter**
  - **If email address is not on SDR Submission, ILCO passes to country email address on file for the SDR Monthly Report**
    - Can be FLO, In-country email, or Command Country Manager
    - To update country recipients of SDR emails, send updated address to Air.Force.FMS.SDR.Automation@wpafb.af.mil

- **STARR/PC customers receive status updates when progression code changes**

Notification of SDR Closure
(Unclassified)

- **SDR reply available for country review/action . . .**
  - **If supplier requires additional info**
    - SDR Status 99, Interim Adjustment Reply Code EI, Reply Response Code = 104
    - Input correction into Submission Wizard within 45 days with additional info in remarks or attached
  - **If supplier provides disposition instructions to return materiel**
    - SDR status CA, Adjustment Reply Code BB, Reply Response Code = 105
    - Use DD Form 1348-1A to return materiel within 180 days—credit pending receipt of materiel by USG
  - **If supplier provides disposition instructions to return exhibit for evaluation**
    - SDR status 99, Interim Adjustment Reply Code BX, Reply Response Code = 107
    - Use DD Form 1348-1A to return materiel within 180 days—Supplier will provide SDR decision after materiel has been evaluated
    - Expediting exhibit returns (no longer than 90 days) when possible
- **If SDR denied (SDR status CD), customer has 45 days (90 days when materiel return involved) to resubmit or contest (W/JUSTIFICATION) SDR decision**

- **If Source of Supply requests additional information:**
  - Country must respond w/in 45 days from SDR Reply date
  - SDR-A sends follow-ups at 15 and 30 days

- **To respond . . .**
  - Submit a 'Correction' via the SDR Submission Wizard
  - Include additional information requested by Source of Supply in the 'Correction'

- **If a 'Corrected SDR' is NOT received within 45 days, SDR will be completed (denied) by ILCO**

Materiel and Exhibit Returns

(Unclassified)

- **Customer must return discrepant materiel/exhibit within 180 days of receiving the SDR Reply**
  - SDR will be completed (denied) by ILCO if _notification_ of materiel/exhibit return not received within 180 days
    - **Send notification/proof of return via email to Air.Force.FMS.SDR.Automation@wpafb.af.mil**
  - SDR-A sends follow-ups at 60 and 120 days
- **For exhibit returns, ILCO recommends expediting returns**
  - PROS returns must reach vendor w/in accepted warranty terms specified in requisition
  - PROS warranty timeline overrides 180 day timeline
  - Exhibit return delays may = expired warranties & SDR denials
  - **USG is NOT responsible for DTS delays—Country should arrange direct return to vendor to ensure timely delivery**

The AFSAC **SDR Metrics** are accessed through the Applications Links in AFSAC Online.

Selecting

AFSAC Online
SDR Metrics
(Unclassified)

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AFSAC Online
SDR Activity Summary Metric (Example)
(Unclassified)

AFSAC SDR Metrics

Report Selection

Report Type:	*	SDR Activity Summary ▼
Country/Region:	*	All Countries ▼
Report Dates:	*	2009-10-01 ▦ to 2010-09-30 ▦

Required field.

[Submit]

		# of SDRs	$ Value	Average Processing Days*
SDRs Open (Beginning of Period)		**2143**	**$68,141,388**	
SDRs Received During Period		**4014**	**$78,414,645**	
SDRs Completed		**4480**	**$80,049,821**	**219**
Approved	2005		$24,774,838	216
Denied	2291		$52,928,850	230
Advisory	184		$2,346,133	109
SDRs Open (End of Period)		**1678**	**$52,662,759**	**312**
Original/Resubmission	1403		$46,603,802	192
Contested	186		$5,204,906	439
Litigation/Contract Negotiations	89		$854,052	1933

AFSAC Online
SDR Metrics
(Unclassified)

Summary
(Unclassified)

- **Submit all SDR complaints to SDR Section via SDR-A**
  - Failure to submit SDR properly & timely may prevent compensation
  - SDR decisions binding only if issued by official SDR-A reply

- **SDR Automation delivers key tools that . . .**
  - **Provide expected services to our customers**
    - Faster credits to customers = additional $ for new requisitions
    - To realize full benefits . . . Customer MUST USE web-based SDR Submission Tool
  - **Make AFSAC and Action Activities more efficient internally**
    - Streamlines processing times
      - Eliminates mail times
      - Online attachments/queries/report
    - Free USG resources to support other customer initiatives
      - Online edits/validations reduce manual intervention
      - Reduced filing/paper shuffling

- **Future Initiatives**
  - Promote use of SDR-A to our FMS customers
  - DSCA approve/fund SDR-A for expansion to tri-service